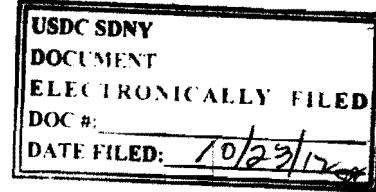


UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK



STEVE LESHINSKY,

X

Plaintiff,

: Case No. 1:12-cv-06682 (PAE) (AJP)

v.

JAMES JUN WANG, ZHIJUAN GUO,
WEIGUO WANG, ARNOLD STALOFF,
and SMARTHEAT, INC.,

: STIPULATION AND
~~PROPOSED~~ ORDER
EXTENDING TIME TO
RESPOND TO COMPLAINT

Defendants.

X

WHEREAS, Plaintiff Steve Leshinsky ("Plaintiff") filed a putative class-action complaint in the above-captioned action on August 31, 2012 (the "Complaint") against Defendants James Jun Wang, Zhijuan Guo, Weiguo Wang, Arnold Staloff, and SmartHeat Inc. ("SmartHeat");

WHEREAS, on October 12, 2012, Plaintiff filed an Affidavit of Service of a Summons and the Complaint stating that process was served on SmartHeat on October 2, 2012 by and through SmartHeat's registered agent for service of process in Nevada. While reserving all rights to challenge jurisdiction on all other grounds, SmartHeat acknowledges that its registered agent for service of process in Nevada was served in this action on October 2, 2012 in accordance with Federal Rule of Civil Procedure 4;

WHEREAS, pursuant to Federal Rule of Civil Procedure 12 the deadline for SmartHeat to file an answer or otherwise respond to the Complaint is October 23, 2012;

WHEREAS, this action seeks to assert claims under the federal securities laws that are subject to the Private Securities Litigation Reform Act of 1995 ("PSLRA");

WHEREAS, the PSLRA requires the Court to select a lead plaintiff and lead counsel [15 U.S.C. § 78u-4(a)(3)(B)];

WHEREAS, lead plaintiff and lead counsel have not yet been appointed;

WHEREAS, counsel for SmartHeat and Plaintiff believe that an answer or motion responding to the Complaint would be premature prior to the appointment of a lead plaintiff and lead counsel and the filing of an amended complaint;

WHEREAS, SmartHeat intends to file a motion to dismiss the Complaint that will trigger an automatic stay of discovery under the PSLRA;

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, subject to approval of the Court, by and between the undersigned counsel for Plaintiff and SmartHeat as follows:

1. The lead plaintiff shall file his, her, or its amended complaint within forty-five (45) days following the entry of an order appointing a lead plaintiff and lead counsel.
2. SmartHeat shall have forty-five (45) days after service of an amended complaint to answer or otherwise respond to the amended complaint.
3. The lead plaintiff shall have forty-five (45) days after service of SmartHeat's motion to dismiss, if any, to file a response in opposition.
4. SmartHeat shall have twenty-one (21) days after service of lead plaintiff's response in opposition to file a reply.
5. The parties to this stipulation reserve all rights and defenses they may have, including jurisdictional defenses.

Dated: October 22, 2012

THE ROSEN LAW FIRM, P.A.

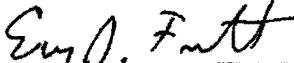
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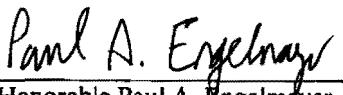

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Attorneys for Defendant SmartHeat Inc.

SO ORDERED:


Honorable Paul A. Engelmayer
United States District Judge

10/23/12